

Message Text

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ACTION EUR-12

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TAGS: PFOR, PINR, PINT, IT

SUBJECT: PSI LOMBARDY REGIONAL CONGRESS - JAN 23-25, 1976

REF MILAN 0109

1. SUMMARY: LOMBARDY SOCIALISTS CLOSED REGIONAL CONGRESS WITH ADDRESS BY NATIONAL SECRETARY FRANCESCO DE MARTINO JANUARY 25 FRESH FROM REJECTION OF MORO'S PROPOSED DC-PRI-PSI GOVERNMENT. WHATEVER BACKROOM DEBATE MAY BE, LOMBARDY SOCIALISTS GAVE DE MARTINO DECISION TOPPLE DC-PRI GOVERNMENT AND REFUSAL ENTER ITS RE-INCARNATION REPEATED, LOUD AND UNANIMOUS SUPPORT. DC REFUSAL OF TWO PARTY GOVERNMENT WITH PSI APPEARS TO HAVE INCREASED LOMBARDY SOCIALIST DELEGATES LEAN TOWARD COMMUNISTS DESPITE LEADERSHIP'S ADVOCACY OF MORE NEARLY MIDDLE ROAD BETWEEN CATHOLICS AND COMMUNISTS.

2. LOMBARDY REGIONAL CONGRESS MET TO ELECT NEW DIRECTORATE AND DELEGATES TO PSI 40TH NATIONAL CONGRESS FEB 4-5. NEW REGIONAL SECRETARY WILL BE ELECTED LATER BY DIRECTORATE BUT OUTGOING CARLO POLLI, AND ANTI-CHIARISMATIC, EXPECTED TO BE RECONFIRMED. NEW DIRECTORATE CONSISTS OF 27 DE MARTINO FOLLOWERS, 16 FOR MANCINI, 16 FOR THE LEFT, 17 AUTONOMISTS AND 5 IDENTIFIED WITH BERTOLDI. CONGRESS APPROVED 163

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DELEGATES TO NATIONAL CONGRESS ON THE BASIS OF NAMES SUBMITTED

BY THE VARIOUS LOCAL CHAPTERS TO REPRESENT ABOUT 74,000 ENROLLED PARTY MEMBERS. LOMBARDY PSI HAS LARGEST SHARE OF PARTY MEMBERS CONSTITUTING ABOUT 14 PERCENT OF TOTAL AND ABOUT 22.5 PERCENT OF TOTAL PSI VOTE IN JUNE 15 ELECTIONS.

3. CENTRAL THEME THROUGHOUT WAS PSI RELATIONSHIP TO COMMUNISTS AND CHRISTIAN DEMOCRATS MADE THE MORE IMMEDIATE BY CONCURRENT NEGOTIATIONS IN ROME TO FORM NEW GOVERNMENT. ATMOSPHERE HAD SHIFTED SINCE MILAN PROVINCIAL CONGRESS PRECEDING WEEK. THIS STRESS ON EQUIUDISTANCE FROM COMMUNISTS AND DC WAS MAJOR THEME FROM OUTSET. SOCIALIST CORRIDOR TALK WAS OF BREAKING UP DC-COMMUNIST UNDER TABLE ALLIANCE THAT MADE SOCIALISTS SUPERFLUOUS. AND SOCIALISTS WERE ANGRY THAT COMMUNISTS WERE JOINING IN CONDEMNING PSI FOR TOPPLING MORO.

4. BY CLOSE OF REGIONAL CONGRESS, LOMBARDY SOCIALISTS DELEGATES SEEMED TO HAVE MOVED TOWARD COMMUNISTS FOR SEVERAL REASONS. FIRST, THEY FELT DC WAS STONEWALLING THEIR OFFER FORM TWO PARTY COALITION EVEN AFTER PSI HAD FURTHER WATERED DOWN INVOLVEMENT OF COMMUNISTS. SECOND, SOCIALISTS WERE ANGRY THAT EVERYONE WAS BLAMING THEM NOT ONLY FOR GOVERNMENT CRISIS BUT ALSO FOR SENSATIONAL RUN ON LIRE THAT EVEN PUSHED CIA REVELATIONS BRIEFLY OFF FRONT PAGES. REACTION OF GRASS ROOTS DELEGATES WHEN CORNERED AND HURTING WAS TO ESCAPE ISOLATION BY TAKING REFUGE IN TRADITIONAL MYTH OF WORKING CLASS UNITY. THIRD, LOMBARDY COMMUNISTS, WITH USUAL BRILLIANT LEADERSHIP OF REGIONAL SECRETARY ELIO QUERCIOLO, STRUCK EXACTLY THE RIGHT NOTE. HE GREETED CONGRESS ON THE HEELS OF MORO'S OFFER OF A DC-PRI-PSI GOVERNMENT, WHICH LOMBARDY SOCIALIST TOOK AS AN INSULT DESIGNED TO FORCE THEIR REJECTION AND TO SET UP A SCENERIO LEADING TO EARLY ELECTIONS THAT WOULD BE BLAMED ON THE SQUIRMING SOCIALISTS. QUERCIOLO QUIETLY ASSURED THE DELEGATES THAT WHATEVER DIFFERENCE THERE MIGHT HAVE BEEN ON WISDOM OF BRINGING DOWN MORO GOVERNMENT, COMMUNISTS WOULD FIGHT IN EARLY ELECTIONS SIDE-BY-SIDE WITH SOCIALISTS AND NOT AS ADVERSARY. THAT BROUGHT DOWN THE HOUSE.

5. FROM FIRST WORD TO LAST, DELEGATES AND OFFICERS DEBATED MEANING OF PARTYS PRESENT SLOGAN - THE SOCIALIST ALTERNATIVE. IF OBVIOUSLY HAS AS MANY MEANINGS AS SPEAKERS. FOR SOME, APPARENTLY LIMITED OFFICIAL USE

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FACTORY DELEGATES, IT MEANT AN ALLIANCE WITH THE COMMUNISTS TO GOVERN HERE AND NOW WHENEVER THEY HAVE A MAJORITY. FOR OTHERS, PARTICULARLY THE PARTY LEADERSHIP, INCLUDING MILAN'S POWERFUL SOCIALIST MAYOR ANIASI, IT HAD MORE OF A SECOND COMING TIMETABLE. THERE WAS NO IDENTIFIABLE FACTIONAL DEBATE - NO ATTACK ON REBUTTAL AMONG DELEGATES. YET THERE WERE OBVIOUS DIFFERENCES ON THE BASIC ISSUE OF RELATIONS WITH COMMUNISTS AND DC. THERE WAS LITTLE DIFFERENCE IN CONDEMNATION OF

THE CHRISTIAN DEMOCRATS. BUT THE PROPER RELATIONSHIP WITH THE COMMUNISTS WAS WIDE OPEN. THERE WAS VIRTUAL UNANIMITY ON THE ESSENTIALITY OF SOCIALISTS INDEPENDENCE, UPON ITS FUNCTION AS THE LEADER OF THE DEMOCRATIC, INNOVATIVE WORKING CLASS, AND OF THE IMPORTANCE OF PUSHING THE COMMUNISTS IN THEIR EVOLUTION AWAY FROM SOVIET SUBJECTION. THE DIFFERENCES CENTERED ON HOW CLOSELY TO WORK WITH THE COMMUNISTS AND HOW TO RECONCILE THE NEED FOR THE UNITY OF THE WORKING CLASS WITH THE INDEPENDENCE OF THE SOCIALISTS FROM THE COMMUNISTS.

6. THE ISSUE CAME TO A HEAD ONLY AT THE ADOPTION OF THE PLATFORM. THE LEADERSHIP PROPOSED, AMONG OTHER PLANKS, ENDORSEMENT OF COLLABORATION WITH THE NORTHERN EUROPEAN SOCIAL DEMOCRATIC PARTIES AND COLLABORATION WITH THE COMMUNISTS CONDITIONED UPON THEIR SEVERING THEIR TIES TO THE SOVIET UNION. BOTH POINTS WERE ATTACKED FROM THE FLOOR. OPPONENTS WANTED NOTHING TO DO WITH THE NORTHERN EUROPEAN SOCIALISTS - ESPECIALLY THE GERMANS AND ARGUED THAT THE PSI HAD NO RIGHT TO TELL THE PCI WHAT ITS FOREIGN ITES SHOULD BE. IN THE END, THE ISSUE WAS PAPERED OVER TO ASSURE UNANIMITY AND THE OPPONENTS WERE OBVIOUSLY A MINORITY. BUT THE ISSUE IS A HOT ONE.

7. DE MARTINO'S SUNDAY MORNING ADDRESS MUST HAVE BEEN A MORALE BUILDER FOR HIM AFTER TWO WEEKS OF SET-BACKS IN ROME. THE THEATER WAS PACKED WITH PERHAPS TWO THOUSAND SPECTATORS, MOSTLY MEN IN THEIR LATE TWENTIES TO FORTIES, AND A SPRINKLING OF WOMEN. HE GOT A STANDING OVATION UPON ENTRANCE AND WAS INTERRUPTED BY APPLAUSE MORE THAN 30 TIMES DURING 45 MINUTES.

SPEAKING WITHOUT NOTES, DEMARTINO GAVE HIS VERSION OF THE CRISIS SPARING NEITHER COMMUNISTS NOR CHRISTIAN DEMOCRATS IN A VIGOROUS LANGUAGE LACKING THE MARXIST CANT THAT USUALLY MAKES LIMITED OFFICIAL USE

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SOCIALIST DEBATE SO SOMNIFEROUS.

8. THIS IS NOT AN EASY PERIOD, DEMARTINO SAID. THE PSI HAS BEEN TAKING ALL THE HEAT FOR THE POLITICAL AND ECONOMIC CRISIS WHICHIT DIDN'T CREATE BUT INSISTED UPON FACING. THE PSI HAD BROUGHT DOWN MORO GOVERNMENT, HE CONTENTED, BECAUSE ITS ECONOMIC PROGRAM WAS CONTRARY TO THE INTERESTS OF THE WORKING MAN AND THE DC REFUSED TO TAKE ACCOUNT OF SOCIALIST OBJECTIONS. THE PSI CHOICE WAS TO SUPPORT A PROGRAM IT THOUGHT WRONG OR TO WITHDRAW SUPPORT. THE COMMUNISTS AGREED THAT THE POLICY WAS WRONG, HE SAID, BUT REFUSED TO TAKE PUBLIC RESPONSIBILITY FOR AN UNPOPULAR DECISION TO PRECIPITATE OR SUPPORT THE CRISIS. WHY, DEMARTINO PRESSED, WHEN THE COMMUNISTS AGREED THAT THE MORO POLICY WAS WRONG DID THEY CRITICIZE THE PSI AND TRY TO KEEP THE GOVERNMENT ALIVE? TO WHICH THE AUDIENCE ROARED

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9. ORIGIN OF CRISIS LAY, DEMARTINO CLAIMED, IN FAILURE OF DC IN LATER YEARS OF CENTER LEFT TO KEEP ITS PROMISES TO PSI TO CARRY OUT NEEDED REFORMS OF ECONOMY, BUREAUCRACY, SCHOOLS AND HEALTH CARE THAT PUBLIC DEMANDED. NOR WERE COMMUNISTS WITHOUT BLAME SINCE THEY HAD DONE BEST TO MAKE CENTER-LEFT FAIL. SINCE ONSET OF ECONOMIC CRISIS, PSI HAD OPPOSED DC-PRI CLASSICAL DEFLATIONARY ECONOMIC POLICY THAT SIMPLY SHIFTED COST OF CRISIS TO ITALIAN WORKING MAN. THAT WAS STILL THE FUNDAMENTAL ISSUE.

10. PSI, HE CONTINUED, FELT THAT SUPPORT OF ENTIRE LEFT WAS NEEDED TO SOLVE ITALYS ECONOMIC AND POLITICAL PROBLEMS. THAT INCLUDED COMMUNISTS. PSI HAD NO A PRIORI OBJECTION TO PCI PARTICIPATION IN GOVERNMENT BUT WAS REALISTIC IN SAYING THAT DOMESTIC AND INTERNATIONAL CONDITIONS FOR THAT WERE ABSENT. THAT NO REASON NOT TO HAVE PCI SUPPORT, HOWEVER. MORO HAD ALREADY CALLED FOR THIS IN HIS BARI SPEECH BUT APPARENTLY WANTED TO EXCLUDE PSI. NOW DC REJECTED SOCIALIST REQUEST FOR COMMUNIST SUPPORT TO WHICH SOCIALISTS HAD RESPONDED OFFERING DC-PSI GOVERNMENT WITHOUT MENTION OF COMMUNIST ROLE. MORO HAD THEN REJECTED THAT TOO WITH DC-PRI-PSI FORMULA THAT NO SOCIALIST COULD ACCEPT.

11. SOCIALISTS, SAID DEMARTINO, ARE A RESPONSIBLE PARTY AND
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REJECT PHILOSOPHY OF WORSE THINGS ARE THE BETTER. NOR ARE
SOCIALISTS AFRAID TO GO TO ELECTIONS. PARTY WILL REMAIN OUT
OF GOVERNMENT UNTIL PARTICIPATION WILL GET CHANGES IN POLICY FOR
WHICH PARTY STANDS. HE DID NOT SAY, AS FAR AS OBSERVER COULD
HEAR IN UPROAR, WHETHER PSI WOULD ABSTAIN ON DC-PSDI-PRI
GOVERNMENT PROPOSED BY MORO AFTER PSI REFUSAL OF DC-PRI-PSI
COALITION.

12. DEMARTINO SAID SOCIALIST ALTERNATIVE WAS A LONG TERM
GOAL DEPENDENT IN FUTURE ON 3 CONDITIONS: 1) STRENGTHENING OF PSI
WITHIN THE ITALIAN LEFT; 2) PCI INDEPENDENCE FROM SOCIETS AND 3)
RECONCILIATION OF CONFLICT BETWEEN COMMUNIST'S COMPROMESSO
STORICO AND SOCIALIST'S SOCIALIST ALTERNATIVE.

13. PCI HAD EVOLVED TOWARD PLURALISTIC DEMONCRACY AND THIS HAD
TO BE RECOGNIZED AND WELCOMED, HE SAID. ALSO EVIDENT THAT PCI
WAS IN DISPUTE WITH SOVIET PRESS. BUT SOVIET HOLD ON COMMUNIST
PARTIES PAINFULLY EVIDENT IN PORTUGUAL WHERE IT WISHED A NEW
REACTION. MANY ABUSES PERSISTED IN CAPITALIST STATES. BUT
DEMOCRATIC INSTITUTIONS IN CAPITALIST SOCIETIES WERE A
CONQUEST OF THE WORKING CLASS THAT SOCIALISTS WERE NOT ABOUT
TO SURRENDER. YET 50 YEARS AFTER REVOLUTION, SOVIET UNION
PERSECUTED MINORITIES AND OPPOSITION; A DISTATORSHIP THAT
ITALIAN SOCIAISTS COULD NOT ACCEPT AND TO WHICH ITALIAN
COMMUNIST PARTY TIED.

14. TO JUDGE BY AUDIENCE REACTION, MILAN SOCIALIST SYMPATH-
IZERS LIKED WHAT THEY HEARD.

15. AN AMERICAN OBSERVER AT THESE THREE DAYS OF SOCIALIST
SOUL SEARCHING COULD NOT OVERLOOK THE REPEATED BLAME THAT
US TOOK FOR CLAIMED MANIPULATION OF RUN ON LIRA AS MEANS OF
TRYING TO FORCE SOCIALISTS TO ACCEPT DC TERMS FOR NEW GOVERN-
MENT. THIS CHARGE HAS MANY VARIATIONS AND GIVEN MOST EXPLICIT
AND PERSISTENT FORMULATION IN NEW LEFT WING DAILY LA REPUBBLICA.
SOCIALISTS HAVE ANCIENT FAITH IN DEVIL THEORY OF ECONOMICS
IN WHICH CAPITALIST IMPERALIST BOUGEOISE CONSPIRE CEASELESSLY
TO OPPRESS WORKER. THAT US SHOULD HAVE LEAKED CONTROLLER OF
CURRENCY REPORT ON CHASE AND FNCB TO WASHINGTON POST TO UNDER-
MINE CONFIDENCE IN ITALY, THAT MORO SHOULD HAVE CLOSED EXCHANGE
MARKETS TO CREATE PUBLIC PANIC FIXING BLAME ON SOCIALISTS AND
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THAT US BANKS SHOULD SELL LIRE AT DEVALUED RATES TO FAN PANIC
EASILY DIAGNOSED BY SOCIALISTS AND MANY OTHERS AS US OR DC
CONSPIRACY TO RUIN SOCIALISTS OR OTHERWISE MANIPULATE GOVERN-
MENT CRISIS. HOWEVER ABSURD THAT MAY APPEAR TO US, IT STRUCK MOST
SPEAKERS AT REGIONAL CONGRESS AND OTHERS WITH WHOM WE SPOKE
IN CORRIDORS AS SELF EVIDENT TRUTH. IT IS ANOTHER EXPERIENCE
THAT REINFORCES OUR BELIEF THAT LONG TERM, IN-DEPTH USIS PROGRAM
ESSENTIAL TO US INTERESTS IN THIS PART OF ITALY.FINA

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